

PRO-GROWTH ZEALOT PLANNING WORLD BANK'S 50TH ANNIVERSARY BASH

The World Bank turns 50 this year and is planning a series of events to commemorate its birthday. Scheduled along with the festivities is a major public relations campaign, a smart idea given the WB's historic role in the pillage of the Third World. Policies pushed by the Bank and other multilateral development agencies have been so successful that the income gap between the world's richest and poorest nations has roughly doubled during the past thirty years.

The man charged with overall coordination of the P.R. blitz is Armeane Choksi, a WB vice president and chair of the "Committee on the Bank's 50th Anniversary." He detailed his "initial plans" in an Aug. 3, 1993 internal memo, which was provided to *Counterpunch* by Bruce Rich of the Environmental Defense Fund.

The document says the WB should use the anniversary to set "forth a clear vision of our agenda" by identifying the "messages we wish to convey, the audiences we wish to reach, and the best instruments available to us." To disseminate its message the WB will "encourage...essays by popular writers; academic writings on development issues...(and) films and TV programs built around Bank-supported activities and accomplishments." The WB has already encouraged the Brookings Institution—by means of a highly lucrative contract—to produce the *History of the World Bank Group*, a book which will undoubtedly be quite sympathetic to its financial sponsor.

Choksi, known as a rabid proponent of economic growth at any cost, is an interesting choice to run the 50th anniversary campaign. He and his wife, Mary, were recently featured in a full-page ad in the *Washingtonian* magazine that announced the sale of their \$800,000 D.C.-area home. The ad, which informed readers that the couple is building a more suitable dwelling, says Mary will miss the old homestead's "long private drive, the bright and open floor plan, and the wonderful decks overlooking the majestic trees. (Armeane) will remember the luxurious master suite complete with Jacuzzi, skylight, separate shower, and circular windows, the grand first floor library with fireplace, and the impressive entry foyer. They'll both miss the dumbwaiter which carries groceries into the kitchen!" Unmentioned is that Choksi oversees the Bank's anti-poverty programs.

Incidentally, Mary Choksi is an Investment Manager at Strategic Investment Partners, a company she founded in the late 1980s after taking a buyout from the WB as part of a staff reduction program. Shortly thereafter, the Bank privatized its employee pension plan and awarded its management to Mrs. Choksi's firm—in a process which had no other bidders, according to a former Bank staffer. If only eradicating Third World indigence were so easy.

In his previous position at the Bank, Choksi headed the Brazil Department. While there he supported such endeavors as the Carajas Iron Ore Project, which led to the destruction of an enormous chunk of Amazon rain forest. He was also keen on funding the Angra III nuclear power plant, a mad scheme planned for a beach resort area between Rio de Janeiro and Sao Paulo, Brazil's most populous cities. WB backing for the plant was eventually stopped by other sectors of the Bank. "Choksi oversaw a number of disasters in Brazil and didn't rigorously

enforce the Bank's own policies," says Rich, who has detailed the WB's ghastly record in *Mortgaging the Earth* (Beacon Press: February, 1994). "It's perplexing that he would have then been promoted to manage anti-poverty programs and other important issues."

That Choksi will play such a key role in the anniversary commemorations indicates that the WB's plans for the next half-century will be as cynical as the strategies they've pushed for the past 50 years.

SOME THINGS NEVER CHANGE

The World Bank now espouses a "green" philosophy and claims it will no longer fund environmentally destructive projects. Behind the rhetoric, Bank staffers maintain their old posture, as seen in a 1993 confidential memo from John Briscoe of the WB's water and sanitation department to Ismail Serageldin, Vice President for Sustainable Development. A brief section from the memo appears below:

"(The) environmental establishment at the Bank...is increasingly seen as a policeman, not a unit assisting our staff and borrowers to do better...This causes much resentment among the borrowers. They are obliged to jump through incredible hoops constructed by what they perceive as first-world zealots...As the negative reaction to extreme environmental policies coalesces in industrialized countries, the extreme environmental groups will press harder and harder where they can still exert influence, notably on the Bank. The forces of political correctness will remain vibrant and the short-term cost of standing up to these will be high...Politically-correct accommodation to these pressures will not only be very costly for people in developing countries, but, in the medium and long run, disastrous for the Bank as a development institution."

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C-17, from p. 1

- Unexplained leaks in the fuel tanks during flight testing.
- Localized heat damage and acoustical cracks in the plane's wing flaps.

The biggest problems of all have occurred with the C-17's wings, which officials described as having "buckled" during an October 1992 "stress" test. A congressional source familiar with the program says "the wings didn't buckle, they were destroyed a millisecond after the test began. They ripped like pieces of paper." After MDC spent approximately \$100 million on a major redesign—an expense which sources suspect was passed on to the Pentagon—a second test was conducted last July, only to be quickly halted when the wings began to splinter. In a third test conducted on Sept. 10, the C-17's left wing cracked in two places. The Pentagon, apparently heartened because the right wing was undamaged, declared this test a rousing success and says no further experiments will be required.

The C-17 also has a mysterious center-of-gravity problem, which makes take-off extremely dangerous unless the plane is fully loaded. Sources say that when the aircraft is empty, Air Force crews keep two 7,950 pound cement blocs—known as the "pet rocks"—in the craft's forward area to ensure safe take-off. This means that the C-17 will either fly into action pre-loaded with nearly eight tons of cement or advance troops will be forced to tote along two "pet rocks" to load onto the plane after removing its cargo. "I can't prove it but I believe the wings are in the wrong place, they're slightly too far aft," says the congressional source. "They screwed up but can't admit it, so they'll try to get by (with the "pet rocks")."

Most shameful of all is that the C-17 is incapable of carrying out its assigned task of forward resupply. The enormous aircraft needs at least 4,000 feet of runway to land, 1,000 more than the Air Force claims. Sources also say the C-17 cannot come down on a dirt airstrip because its jet engines will "ingest" earth. "You could land it on a concrete strip but if you try to put it down on dirt you'll end up with some very expensive repair bills," says the former Pentagon official, who points out that advance combat troops are not normally anywhere near a concrete landing strip.

He also disputes Deutch's assertion that the C-17 "is the

cheapest way to get the required military capability," saying that a used Boeing 747—which can be bought and modified for less than \$100 million—can carry three times as much cargo as the C-17 and twice as far. In fact, the Pentagon's old twin engine C-123, which was used in Vietnam, could perform the C-17's job perfectly well. Unfortunately, the Pentagon hated that plane because it was inexpensive and lacked the glamor of a jet-engine aircraft. As the source points out, "this golden turkey (the C-17) represents a sizeable chunk of the GNP and can be blown to smithereens by a \$22 mortar shell."

To keep the C-17 alive, the Defense Department has resorted to unethical and possibly illegal means. A recent report by the Pentagon's independent Office of Inspector General found that the Air Force had made hundreds of millions of dollars in unwarranted "progress payments" (government money to help finance contractors as work proceeds) to McDonnell Douglas, lied about the aircraft's performance, and accepted shoddy excuses for schedule delays. The Clinton administration's contribution to this charade has been to classify key safety standards as "goals" rather than requirements.

James Burton, a former Air Force colonel, says the Pentagon's continued support for the C-17 is a payoff to MDC for the 1991 decision to kill the company's A-12 fighter. He points out that the Air Force authorized a highly questionable "progress payment" of \$770 million on the C-17 shortly after the A-12 program was halted. "That may be a coincidence but it's hard to believe that the two events were not related," says Burton, who retired in 1986 after battling with Pentagon officials for 14 years over reforming the acquisitions system.

The C-17's fate now lies in congress, with the House recently restricting funding unless the Secretary of Defense finds that faults can be corrected at a reasonable cost and that alternatives to the C-17 are seriously considered. Killing the program now would save \$13.5 billion over 5 years.

However, with so much money at stake, don't be surprised to see the Golden Turkey once again escape the budget axe. The congressional source worries that with the plane's safety extremely suspect, the real trouble may lie ahead. "If one of these planes ever crashes with troops aboard, they (Air Force officials) are going to regret the day they ever heard of the C-17," he says.

Counterpunch

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